
Medicare

Intermediary Manual

Part 3 - Claims Process

Department of Health and
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HEALTH CARE FINANCING
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HEADER SECTION NUMBERS

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3644 (Cont.)

6-206.2A-6-206.2C (3 pp.) 6-206.2A-6-206-2B (2pp.)

NEW/REVISED MATERIAL--*EFFECTIVE DATE: October 1, 2001*

IMPLEMENTATION DATE: October 1, 2001

Section 3644, Dialysis for End Stage Renal Disease (ESRD) – General, has been revised to provide coverage, billing and payment instructions for iron sucrose injection as a first line treatment of iron deficiency anemia when furnished intravenously to patients undergoing chronic hemodialysis who are receiving supplemental erythropoietin therapy.

This section is revised to correct how payment is made for HCPCS J3490 (Unclassified drugs) in renal dialysis centers (freestanding facilities). This section is also revised to delete bill type 82X as an applicable bill type, correct the revenue code reporting and change the HCPCS reporting for sodium ferric gluconate complex in sucrose injection.

These instructions should be implemented within your current operating budget.

DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.

In cases where the facility is billing for both a supply and for administrations, it totals the units supplied and the units administered and shows this amount for value code 68. Item 52, Units of Service, is completed for administrations only.

EXAMPLE: The facility provides a supply of 65,000 units and two administrations in the facility amounting to 5,000 units. The following entries appear on the bill:

| <u>Revenue Code</u> | <u>Units</u> |
|---------------------|---------------|
| 634 | 2 |
| 635 | |
| <u>Value Code</u> | <u>Amount</u> |
| 68 | 70,000 |

Use the payment logic shown in this subsection. Base the coinsurance and deductible on the Medicare allowance payable. The provider may not charge the beneficiary more than 20 percent of the EPO allowance.

A normal month's supply is approximately 35,000 - 40,000 units. Edit value code 68 to identify claims with amounts over 90,000 and request the provider to verify the value amount.

For payment policy see Chapter 27 of the PRM, Part I, §2710.3.

See §§3900ff. for MR of EPO administration.

E. Payment for Intravenous Iron Therapy.--Iron deficiency is a common condition in end stage renal disease (ESRD) patients undergoing hemodialysis. Iron is a critical structural component of hemoglobin, a key protein found in normal red blood cells (RBCs) which transports oxygen. Without this important building block, anemic patients experience difficulty in restoring adequate, healthy RBC (hematocrit) levels. Clinical management of iron deficiency involves treating patients with iron replacement products while they undergo hemodialysis.

For claims with dates of service on or after December 1, 2000, sodium ferric gluconate complex in sucrose injection is covered by Medicare for first line treatment of iron deficiency anemia in patients undergoing chronic hemodialysis who are receiving supplemental erythropoietin therapy. In hospital outpatient departments, payment is made under the outpatient prospective payment system. Payment is made on a reasonable cost basis in critical access hospitals (CAHs). For claims with dates of service on or after December 1, 2000, payment is made on a reasonable cost basis in renal dialysis centers (freestanding facilities). For claims with dates of service on or after January 1, 2001, payment is made pursuant to 42 CFR 405.517 in renal dialysis centers (freestanding facilities). Iron sucrose injection as a first line treatment of iron deficiency anemia when furnished intravenously to patients undergoing chronic hemodialysis who are receiving supplemental erythropoietin therapy is also covered by Medicare for claims with dates of service on or after October 1, 2001. In hospital outpatient departments, payment is made under the outpatient prospective payment system. Payment is made on a reasonable cost basis in CAHs and in renal dialysis centers (freestanding facilities). Deductible and coinsurance apply.

Follow the general bill review instructions in §3604. Providers bill you on Form HCFA-1450 or electronic equivalent.

Applicable Bill Types.--The appropriate bill types are 13X, 72X, and 85X.

Providers utilizing the UB-92 flat file use record type 40 to report bill type. Record type (Field No. 1), sequence number (Filed No. 2), patient control number (Field No. 3), and type of bill (Field No. 4) are required. Providers utilizing the hard copy UB-92 (Form HCFA-1450) report the applicable bill type in Form Locator (FL) 4 "Type of Bill". Providers utilizing the Medicare A 837 Health Care Claim version 3051 implementations 3A.01 and 1A.C1, report the applicable bill type in 2-130-CLM01, CLM05-01, and CLM05-03.

Revenue Code Reporting.--Providers report revenue code 636. Providers utilizing the UB-92 flat file use record type 61, Revenue Code (Field No. 5). Providers utilizing the hard copy UB-92 report the revenue code in FL 42 "Revenue Code." Providers utilizing the Medicare A 837 Health Care Claim version 3051 implementations 3A.01 and 1A.C1, report the applicable revenue code in 2-395-SV201.

HCPCS Reporting.—Providers report HCPCS code J3490 (Unclassified drugs) for sodium ferric gluconate complex in sucrose injection for claims with dates of service on or after December 1, 2000. For claims with dates of service on or after January 1, 2001, providers report HCPCS code J2915 for sodium ferric gluconate complex in sucrose injection. Until a specific code is developed for iron sucrose injection, providers report HCPCS code J3490 (Unclassified drugs). Providers utilizing the UB-92 flat file use record type 61, HCPCS code (Field No. 6) to report HCPCS code. Providers utilizing the hard copy UB-92 report the HCPCS code in FL 44 "HCPCS/Rates." Providers utilizing the Medicare A 837 Health Care Claim version 3051 implementations 3A.01 and 1A.C1, report the HCPCS/CPT in 2-395-SV202-02.

F. Payment for Drugs Furnished in Independent Dialysis Facilities.--Make payment for drugs furnished in independent dialysis facilities, and paid outside the composite rate, based on the lower of billed charges or the payment limit provided in §3644.E.2. Coinsurance and deductible apply to allowed charges.

The payment methodology for hospital-based facilities does not change.

1. Billing Procedures.--Facilities identify and bill for drugs by HCPCS code, along with revenue code 636, "Drugs Requiring Specific Information." The listing below includes the HCPCS code and indicates the lowest common denominator for the dosage. (See §3644.E.2.) Facilities use the units field as a multiplier to arrive at the dosage amount.

EXAMPLE:

| <u>HCPCS</u> | <u>Drug</u> | <u>Dosage (lowest denominator)</u> | <u>Amount</u> |
|--------------|-------------|------------------------------------|---------------|
| J3360 | Valium | 5mg | \$2.00 |

Actual dosage, 10mg.

On the bill, the facility shows J3360 and 2 in the units field (2 x 5mg = 10mg).

For independent facilities, compare the price of \$4.00 (2 x \$2.00) to the billed charge and pay the lower, subject to coinsurance and deductible.

NOTE: When the dosage amount is greater than the amount indicated for the HCPCS code, the facility rounds up to determine units. In the example above, if the dosage were 7mg, the facility would show 2 in the units field.

Facilities bill for supplies used to administer the drug with revenue code 270, "Medical/Surgical Supplies." The number of administrations is shown in the units field. Pay \$.50 for each

administration to independent facilities. This covers the cost of any size syringe, swabs, needles and gloves.

EXAMPLE:

| <u>Revenue Code</u> | <u>Units</u> |
|---------------------|--------------|
| 270 | 3 |

The price is \$1.50, subject to coinsurance and deductible.

Hospital-based facilities use the HCPCS codes in §§3644.E.2 and 3 to identify drugs.